

Statement of Migdalia Rey

IN SUPPORT OF GOVERNOR'S BILL 6355

My name is Migdalia Rey and I am a New Haven homeowner. I would like to talk about my experiences with CitiMortgage and a wrongful foreclosure that was brought against me.

I bought my home in 1985, and for more than 22 years made all of my payments on time, on the same mortgage. In 2007 I was injured in a car accident, and as a result missed some work. The resulting loss of income caused me to miss several mortgage payments, and in June 2008 Citi foreclosed on me. During that initial foreclosure, I successfully entered the foreclosure mediation program. In October 2008, Citi offered me a forbearance agreement that they said would cure my delinquency and default. I was told that if I made three higher payments, I could then resume my regular monthly payments.

As agreed, I made the three higher monthly payments and then returned to making my regular monthly payments. Throughout Citi representatives told me that I would receive my official documents shortly. In June 2009, after I had made several regular payments, Citi rejected my payment, told me I was in default, and immediately owed \$15,700 -- the entire balance left on my mortgage. I was worried and confused, and called many times to try to get an answer as to what had happened, but Citi agents would not tell me. In October of 2009, the foreclosure action against me was renewed, even though I had done everything I was asked to.

Citi admitted in court that I had made all the payments required under the agreement. But it said it restarted the foreclosure because I hadn't submitted documents, even though its representatives never asked me for documents. We tried to fix the problem in mediation, but after several mediations -- but no court hearing -- we ended up in court.

Ultimately, I received a loan from CHFA that helped me bring my account with Citi current and they withdrew the foreclosure. However, in order to reinstate, I had to pay thousands of dollars in foreclosure costs and attorneys' fees to Citi. Those dollars included all the fees and costs charged to my account after I was foreclosed upon.

I tried pursuing counterclaims to recoup those improper fees, based on Citi breaking our agreement. But the judge struck them -- not because they weren't valid, but because they didn't relate to the "making, validity or enforcement" of my underlying mortgage. This apparently let the judge toss me out of court without even listening to my claims because they related to the servicing of my loan, rather than the origination.

Even now, with the foreclosure action withdrawn, I do not feel secure. Three months ago, Citi stopped sending me statements, even though I was *still* making my payments on time. When I called to ask what was going on, I was told that I was listed as being in foreclosure again. It took multiple communications with Citi's attorneys and several months to get Citi to acknowledge that they had made yet another mistake and to get my statements sent again.

I support the mediation process. I do not think Citi intentionally foreclosed on me wrongfully. But I do think that in my case, mediation failed to do what it was supposed to. I had a

forbearance agreement with Citi to resolve my delinquency, but I was foreclosed on even when I complied. I took years before I was in front of a judge to discuss the issue. When I did, the judge decided he didn't need to listen to my claims.

Governor's Bill 6355 could have helped me in both instances. Better guarantees and clarity during mediation could have resolved my case, and the change proposed to the "making, validity or enforcement" requirement would allow me to pursue the counterclaims for the fees I was improperly charged.

Thank you for considering my story, and I hope you support Governor's Bill 6355.